

Cost of Service Allocation Methodologies
FPL's Survey of EEI's RRA Utilities (11/07 Results)

		PLANT COSTS				O&M EXPENSES			
		Production	Transmission	Distribution	Intangible / General	Production	Transmission	Distribution	A&G
Florida Power & Light	Florida	12CP & 1/13	12CP & 1/13 (6)	class NCP / cust NCP (10)	Labor	12CP / MWH	12CP & 1/13 (6)	class NCP / cust NCP	Labor / General Plant
Other Florida Utilities -									
Progress Energy	Florida	12CP & 1/13	12CP	class NCP / cust NCP	Labor	12CP & 1/13 / MWH	12CP	class NCP / cust NCP	Labor / Gross Plant
Tampa Electric	Florida	12CP & 1/13	12CP (7)	class NCP / 12CP	(note 21)	12CP / MWH	12CP & 1/13	class NCP / 12CP	O&M / Gross Plant
Other Verically Integrated Utilities -									
Arizona Public Service (1)	Arizona	4CP	Excluded	class NCP	Labor	4CP / Energy	Excluded	class NCP / cust NCP	Gross Plant
Southwestern Electric Power	Arkansas	4CP	4CP	MDD (11)	Labor	4CP / Labor	4CP / MWH	Distribution Plant	General Plant / Labor
Southwestern Electric Power	Louisiana	4CP	4CP	MDD (11)	Labor	4CP / Labor	4CP / MWH	Distribution Plant	General Plant / Labor
Georgia Power	Georgia	12CP	4CP / 12CP (8)	4CP / 12CP (12)	Gross Plant	12CP / Energy (22)	12CP	Distribution Plant	Gross Plant / O&M
Kentucky Power	Kentucky	12CP	12CP	12CP / NCP (13)	Labor / Plant	12CP / Energy	12CP	12CP / Distrib Plant	Labor
Consumers Energy (1)	Michigan	Energy / Demand (3)	12CP (75%), Energy (25%)	class NCP	Labor	Energy / Demand (3)	12CP (75%), Energy (25%)	Distribution Plant	Labor / Gross Plant
Detroit Edison (1)	Michigan	(note 23)	(note 25)	class NCP	Plant In Service	(note 24)	(note 23)	Distribution Plant / Labor	Labor
Minnesota Power, Inc	Minnesota & Wisconsin	12CP	12CP	class NCP	Labor	Energy / Demand	12CP	Distribution Plant	Labor
AmerenUE	Missouri	Average & Excess (4)	12CP	class NCP	Labor	Average & Excess (4)	12CP	Distribution Plant	Labor
Aquila Inc	(note 26)	Average & Excess (4)	Average & Excess (4)	class NCP / cust NCP	n/a	Average & Excess (4)	n/a	Distribution Plant	n/a
Progress Energy	North Carolina	Summer & Winter CP	Summer & Winter CP	MDD / class NCP (14)	Gross Plant	Sum & Wint CP / MWH	Summer & Winter CP	Distribution Plant / Labor	General Plant / Labor
Progress Energy	South Carolina	1 CP	1 CP	MDD / class NCP (14)	Gross Plant	1 CP / MWH	1 CP	Distribution Plant / Labor	General Plant / Labor
Duke Energy (1)	Ohio	12CP	12CP	Demand (15)	Plant In Service	12CP / Energy	12CP	Distrib Plant / Customers	General Plant
Public Service Co. of Oklahoma	Oklahoma	Average & Excess 4CP	4CP	MDD (11)	Labor	Average & Excess 4CP	4CP / MWH	Distribution Plant / Labor	General Plant / Labor
Appalachian Power (1)	Virginia	6CP	6CP	class NCP	Labor / Plant	6CP / Energy	6CP	class NCP / Distrib Plant	Labor / Gross Plant
Monongahela Power	West Virginia	12CP	12CP	class NCP (16)	Labor	12CP / MWH	12CP / MWH	Distribution Plant	Gross Plant
T&D Utilities -									
Potomac Electric Power	District of Columbia	n/a	n/a	Average & Excess (17)	Plant In Service	n/a	n/a	Distribution Plant	O&M
Ameren (CIPS, CILCO, and IP)	Illinois	n/a	n/a	class NCP	Labor	n/a	n/a	Distribution Plant	Labor / Gross Plant
Potomac Electric Power	Maryland	n/a	n/a	Average & Excess (18)	Plant In Service	n/a	n/a	Distribution Plant	O&M
NSTAR Electric	Massachusetts	n/a	12CP	12CP / class NCP	Customers / Labor	n/a	12CP / MWH	12CP / class NCP	Revenue Requirements
Central Hudson Gas & Electric	New York	(note 5)	(note 9)	class NCP (19)	n/a	(note 5)	(note 9)	Customers / Labor	n/a
OE, CEI, and TE (2)	Ohio	n/a	n/a	(note 20)	Plant In Service	n/a	4CP / MWH	Distribution Plant	General Plant / Labor
AEP Texas North	Texas	n/a	4CP	MDD (11)	Labor	n/a	4CP / MWH	Distribution Plant / Labor	General Plant / Labor
AEP Texas Central	Texas	n/a	4CP	MDD (11)	Labor	n/a	4CP / MWH	Distribution Plant / Labor	General Plant / Labor
Southwestern Electric Power	Texas	n/a	4CP	MDD (11)	Labor	n/a	4CP / MWH	Distribution Plant / Labor	General Plant / Labor

Notes -

- (1) Deregulated state - transmission lines are open to competitors.
- (2) Ohio Edison, Cleveland Electric Illuminating, and Toledo Edison
- (3) Demand (25%) based on 4 summer month peak days, 7 hour range, Total energy (25%), On Peak energy (50%)
- (4) Average & Excess - 4 class NCP. Costs are allocated using a combination of the sales method (average demand) and the class non coincident peak (excess demand).
- (5) Divested all generation Jan 2001 except for small amount of hydro for which O&M is allocated on energy (kWh/class), & CT's allocated on 2 CP (average summer & winter peak).
- (6) Adjusted for transmission pull offs for retail customers.
- (7) Stepup Subs = 12 CP (No I/S) / Hi Voltage Subs & Lines = 12 CP (Incl IS) / Some 69kV Subs & Lines = Direct Allocation / Remainder of 69 kV = Class NCP
- (8) Avg 12-CP @ Step-Up Substations, 20% 12-CP / 80% 4-CP @ high-voltage Transmission Lines, 4-CP through Subtransmission & Distribution Lines, and NCP at Primary voltage levels
- (9) 50% = Trans subs on 2CP (avg smr & wntn pk), 40% = Trans lines on 1CP (smr pk), 10% = specific customer
- (10) Class NCP is the same as Group Non-Coincident Peak (GNCP).
- (11) Maximum Diversified Demand - maximum sum of the contribution of the individual demands to the diversified demand over a specific time interval.
- (12) Avg 12-CP @ Step-Up Substations, 20% 12-CP / 80% 4-CP @ high-voltage Transmission Lines, 4-CP through Subtransmission & Distribution Lines, and NCP at Primary voltage levels.
- (13) Primary - 12CP. Secondary - combination of class NCP and individual customer NCP.
- (14) Diversified class peak at primary and class NCP at secondary conduction. Customer components by number of customers at each level.
- (15) Not specified.
- (16) 12CP at Subtransmission Level - class NCP at Primary Level.
- (17) The subtransmission - demand class costs are allocated to jurisdiction based on the Average and Excess Average NCP Weather Corrected Allocator. The remaining distribution costs are directly assigned by jurisdiction as demand and allocated or assigned to primary and secondary components. (Note: subtransmission = 69KV)
- (18) The subtransmission - demand class costs are allocated to jurisdiction based on the Average and Excess Average 4CP Allocator. The remaining distribution costs are directly assigned by jurisdiction as demand and allocated or assigned to primary and secondary components. (Note: subtransmission = 69KV)
- (19) Distribution substations - approximately 80% is allocated on class NCP, 10% is allocated on 2CP (avg summer & winter), and 10% is allocated on 1CP (summer).
- (20) Classified as demand and functionalized between primary and secondary using electronic traces between the last primary customer on a circuit and the distribution substation. Facilities beyond last primary customer are allocated only to secondary rate schedules.
- (21) Production Demand - 12 CP / T&D Demand - TD Plant / Production Energy - Mwh at Generation / Distri. Customer - PTD Dist. Customer / Customer Other - Direct Allocation.
- (22) Energy allocation per Energy at Generation, and Demand allocation per Demand at Generation, with Direct assignment of Incremental RTP costs.
- (23) 25% = 4 summer month (8 hour average) CP @ generation / 25% = Energy @ generation / 50% = On-Peak Energy @ generation
- (24) Depending on the specific account: 60% to 80% = Energy at generation / 13% to 7% = 4 summer month (8 hour average) CP @ generation / 27% to 13% = On Peak Energy @ generation
- (25) Detroit Edison no longer owns Transmission (at or above 120kV). Maximum Demand at Transmission Station and class NCP at Subtransmission Lines.
- (26) Aquila is based in Missouri and operates in five Midwestern states (Colorado, Iowa, Kansas, Nebraska and Missouri.)